



August 14, 2013

Skyline Medical Announces Second Quarter 2013 Results

Q2 2013 Revenues On the Rise; Orders Increase; Expenses Decrease Compared to Q2 2012

MINNEAPOLIS, Aug. 14, 2013 /PRNewswire/ -- Skyline Medical (OTCQB: SKLN) (the "Company"), formerly BioDrain Medical, the producer of the FDA approved STREAMWAY™ System for automated, direct-to-drain surgical fluid disposal that reduces the risk of exposure to hazardous waste, today reported its results for the second quarter ended June 30, 2013.

Key Highlights:

- Revenues of \$150,856 for Q2 2013 were up more than 500% compared to Q2 2012
- More than 40 purchase orders were received in Q2 2013 for Skyline's new generation STREAMWAY FMS System, scheduled for delivery in Q3 and beyond
- Expenses decline by 36% as Skyline streamlines costs
- Technological advancements for Q3 as the new generation STREAMWAY FMS System is introduced

Second quarter revenues rose to \$150,856, up more than 500% compared to \$24,960 for the second quarter in 2012. Year to date revenues rose to \$278,583, compared to revenues of \$47,595 year to date in 2012. Gross profit for the second quarter of 2013 was \$83,521, an increase of more than 250% compared to \$23,250 for the same period in 2012.

Net loss for the second quarter of 2013 was (\$1.2) million, or (\$0.01) per diluted share, compared to net loss of (\$2.1) million, or (\$0.04) per diluted share, in the comparable period in 2012. The decrease in net loss was primarily driven by a significant reduction in General and Administrative expenses as well as increased sales.

"We had a successful second quarter and are looking forward to scaling new heights over the next six months as the new generation STREAMWAY enters the market. We recently instituted a top-notch medical advisory board so we can continue to give the medical community what they need: an efficient, safe and cost-effective solution for fluid waste management. The insight provided by the advisory board will not only help guide us strategically, but will also help further our outreach efforts as we add new and large hospital chains," commented Skyline Medical CEO, Josh Kornberg. "We continue to have high conversions of our trial installations to sales and we anticipate an unprecedented amount of new installations to be formally announced in the coming quarters. We are also looking forward to debuting innovative product modifications that will make the STREAMWAY System function more optimally."

Kornberg concluded, "There is an extremely large market both within the United States and internationally. We will continue to provide the market with a safe, effective, cost efficient product as healthcare professionals seek alternative waste management systems, as well as replace the outdated, free-standing canister market. We are very excited about the future and growth potential of our Company, and will keep shareholders updated as we execute on our business strategy and expand our operations."

About Skyline Medical Inc.

Skyline Medical, formerly BioDrain Medical, Inc., has a fully automated, patented, FDA cleared, surgical fluid disposal system that virtually eliminates certain operating room workers' exposure to blood, irrigation fluid and other potentially infectious fluids found in the surgical environment. Today's manual surgical fluid handling methods of hand-carrying filled surgical fluid canisters and emptying these canisters is an exposure risk and an antiquated approach to the handling of surgical fluid waste. Skyline's STREAMWAY System fully automates the collection, measurement and disposal of surgical fluids and is designed to result in: 1) reducing overhead costs to hospitals and surgical centers, 2) improving Occupational State and Health Association (OSHA) and other regulatory compliance agencies' safety concerns, and 3) streamlining the efficiency and reducing the operating costs of the operating room.

Skyline's STREAMWAY System is eco-friendly as it contributes to cleaning up the environment. Currently, approximately 50 million bloody, potentially disease infected canisters go to landfills annually in the United States. These tainted canisters can remain in landfills for years to come. With the installation of Skyline's STREAMWAY System, the number of canisters can be significantly reduced. Skyline Medical, Inc.'s STREAMWAY System is designed to make the operating room and our environment safer, cleaner, and better. Skyline products are currently being represented by independent professional sales representatives that cater to the needs of hospitals and ambulatory surgical centers across the country. For additional

information, please visit: <http://www.skylinemedical.com>

Forward-looking Statements

Certain of the matters discussed in this announcement contain forward-looking statements that involve material risks to and uncertainties in the Company's business that may cause actual results to differ materially from those anticipated by the statements made herein. Such risks and uncertainties include, among other things, inability to raise sufficient additional capital to operate our business; approximately \$3.4 million in debts, liabilities and cash obligations that become due over the next twelve months, including notes to major shareholders with aggregate balances of approximately \$597,000 that are currently due August 31, 2013 and are secured by the Company's patents and other assets; potential claims for past violations of shareholders' preemptive rights, the amount of which claims is impossible to estimate, as discussed in the Company's Form 10-Q for the quarter ended June 30, 2013; unexpected costs and operating deficits, and lower than expected sales and revenues, if any; adverse economic conditions; adverse results of any legal proceedings; the volatility of our operating results and financial condition; and inability to attract or retain qualified senior management personnel, including sales and marketing personnel; our ability to establish and maintain the proprietary nature of our technology through the patent process, as well as our ability to possibly license from others patents and patent applications necessary to develop products; the Company's ability to implement its long range business plan for various applications of its technology; the Company's ability to enter into agreements with any necessary marketing and/or distribution partners; the impact of competition, the obtaining and maintenance of any necessary regulatory clearances applicable to applications of the Company's technology; and management of growth and other risks and uncertainties that may be detailed from time to time in the Company's reports filed with the Securities and Exchange Commission, which are available for review at www.sec.gov. This is not a solicitation to buy or sell securities and does not purport to be an analysis of the company's financial position. See the Company's most recent Annual Report on Form 10-K, as amended, and subsequent reports and other filings at www.sec.gov.

Public Relations Contact:

Samantha Wolf
KCSA Strategic Communications
212-896-1220
swolf@kcsa.com

Investor Relations Contacts:

Phil Carlson / Josh Dver
KCSA Strategic Communications
212-896-1233 / 212-896-1239
skyline@kcsa.com

SKYLINE MEDICAL INC. CONDENSED STATEMENTS OF OPERATIONS (USD \$)

	3 Months Ended June 30,	
	2013	2012
Revenue	\$ 150,856	\$ 24,960
Cost of Goods Sold	67,335	1,710
Gross Margin	83,521	23,250
General and administrative expenses	888,133	1,950,974
Operations expense	204,928	148,563
Sales and marketing expense	108,593	29,164
Interest expense	126,654	89,271
Loss (gain) on valuation of equity-linked financial instruments	(69,251)	(58,947)
Total expense	1,259,057	2,159,025
Net loss available to common shareholders	<u>\$ (1,175,535)</u>	<u>\$ (2,135,775)</u>
Loss per common share - basic and diluted (in dollars per share)	\$ (0.01)	\$ (0.04)
Weighted average shares used in computation - basic and diluted (in shares)	121,267,500	54,656,895

SKYLINE MEDICAL INC. CONDENSED BALANCE SHEETS (USD \$)

	June 30, 2013	Dec. 31, 2012
ASSETS		
Cash	\$ 137,066	\$ 13,139
Accounts Receivable, net of Allowance for Doubtful Accounts of \$0 in 2013 and \$4,073 in 2012.	101,891	39,711
Inventories	108,036	145,209
Prepaid Expense and other assets	35,585	27,409

Total Current Assets	382,578	225,468
Fixed Assets, net	12,453	3,521
Intangibles, net	48,545	140,588
Total Assets	443,576	369,577
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current portion of convertible debt, net of discounts of \$164,947 and \$21,138	978,843	1,081,187
Convertible Notes Payable - Related Party	597,282	0
Accounts payable	661,081	733,595
Accrued expenses	1,143,532	1,599,519
Deferred Revenue	5,000	0
Total Current Liabilities	3,385,738	3,414,301
Long-term convertible debt	0	89,300
Accrued Expenses	468,903	0
Liability for equity-linked financial instruments	80,506	169,179
Stockholders' Deficit:		
Common stock, \$.01 par value, 300,000,000 authorized, 121,952,832 and 104,247,228 outstanding	1,219,529	1,042,473
Additional paid-in capital	17,857,072	14,945,435
Deficit accumulated during development stage	(22,568,172)	(19,291,111)
Total Stockholders' Deficit	(3,491,571)	(3,303,203)
Total Liabilities and Stockholders' Deficit	\$ 443,576	\$ 369,577

SOURCE Skyline Medical

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